

CAPITAL CONSTRUCTION ASSISTANCE BOARD MINUTES OF THE JANUARY 26, 2011 MEETING

**Meeting held at:
State Offices Building
201 E. Colfax Ave., Denver, CO 80203
State Board Room, 101
Wednesday, January 26, 2011**

I. Call to Order

- 1:09 p.m. Mary Wickersham called the meeting to order.

Attendees

Mary Wickersham – CCAB Chair	Ted Hughes – Staff (CDE)
Mike Maloney – CCAB Secretary	Kevin Huber – Staff (CDE)
Greg Randall – CCAB	Dustin Guerin – Staff (CDE)
Lyndon Burnett – CCAB	Cheryl Honigsberg – Staff (CDE)
Pete Jefferson – CCAB	Jay Hoskinson – (CDE)
Dave Van Sant – CCAB	Kristin Lortie – (CDE)
Adele Willson – CCAB	
Erica Weston – CCAB Legal Advisor	

Excused

Norwood Robb – CCAB Vice-Chair	Tom Stone – CCAB
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- Agenda reviewed
- CCAB Chair asked for a motion to approve the agenda;
 - So moved by Mike Maloney;
 - Pete Jefferson 2nd the motion;
 - No further discussion;
 - Motion to approve the agenda carried.
- CCAB Chair asked for a motion to approve the minutes from the October and November CCAB meetings;
 - So moved by Dave Van Sant;
 - Mike Maloney 2nd the motion;
 - No further discussion;
 - Motion to approve the minutes carried.

II. Board Report

- The CCAB Chair talked about Miami-Yoder School District's ribbon cutting held January 8, 2011. The CCAB Chair said it was a nice program and the former State Treasurer, Cary Kennedy and former State Representative and Speaker of The House of Representatives, Andrew Romanoff, attended to show their support. Other members of the CCAB commented on the ribbon cutting.

III. Directors Report

- Ted Hughes talked about a slideshow the Division staff put together which showed various facts and pictures from the BEST Program. The slide show was made for the BEST stakeholders, to show the positive effects BEST is having and how people/schools are being helped through the program.
- Ted Hughes briefly talked about the financing that recently closed in December, 2010, for the FY2010-11 Lease-Purchase projects. Ted Hughes noted on how the financing is a huge and extensive task, which involves many people. The CCAB Chair pointed out the time needed to get everything in order for the financing and said this year the financing may take longer because of the new State Treasurer. Ted Hughes mentioned that before the financing closed in December, that Akron School District's assessed valuation changed and that they were unable to meet their required match. Ted Hughes said the amounts provided by BEST increased and the district's match decreased, to accommodate their situation. Ted Hughes said this adjustment was approved by the State Board of Education.
- Ted Hughes told the CCAB that Sargent School District had completed their BEST project and the new high school was now occupied. Ted Hughes mentioned that Sargent was the first BEST project to achieve LEED Gold.
- Ted Hughes also mentioned Alamosa School District's BEST project and how their elementary schools were tied for first runner up in the 2010 ICF Builders Awards at the World of Concrete conference. The award recognized the schools utilization of Insulated Concrete Form (ICF) construction.

IV. Discussion Items

- Discussion on the results of the Subcommittee Procurement Meeting held November 30, 2010, for selecting master planners, owners' representatives, architects and construction managers/general contractors. Ted Hughes discussed the outcome of the meeting and that the selection processes will be recommended, not mandated. Ted Hughes said the goal is to maintain a fair and transparent process while protecting the school. Ted Hughes said the Division helps in many ways by providing assistance with: the request for qualifications and advertising it, providing a scoring matrix to make objective decisions and help facilitate the selection process. Ted Hughes said the process will be qualification based and that a fee will be negotiated at the end, after a selection has been made. Ted Hughes also said if the district/charter school does not want to use the BEST recommended process for selecting consultants, that they can present their plan to the BEST Division for approval. A CCAB member who was at the subcommittee meeting said he was happy with the results of the meeting and approved of the outcome.

The CCAB Chair said it is good that the Division is providing these resources, but has reserves about including master plans in the process because they are not being paid for with Assistance Funds. A CCAB member mentioned that a lot of the rural districts need some guidance or a process to help them with the selection process. Ted Hughes told the CCAB most master plans are usually completed by an architecture firm who gets to know the district over a period of time and sometimes the master plan becomes a project plan. A CCAB member brought up the discussion from the November subcommittee meeting about how important it is for districts/charter schools to have an owners representative working for

them. Ted Hughes talked about the subcommittee meeting and how the CCAB determined there needs to be a line item in the budget for an owner's representative and if the district/charter school does not want one, then the money needs to be pulled out of the grant. Ted Hughes said if the district/charter school ends up needing an owners representative, then the Division can help hire someone for them.

- Discussion pertaining to Charter School Match Percentages. Ted Hughes talked about the new match calculations based off some useful information from one of the CCAB members. Ted Hughes told the CCAB the charter school matches had been recalculated and normalized, and were comparable to the district matches averages. Ted Hughes and the CCAB discussed creating a subcommittee to make changes to the match requirements for charter schools. A CCAB member asked if the statute would have to be changed. Ted Hughes said yes. A CCAB member mentioned an issue that arose from a recent Joint Budget Committee (JBC) meeting, that the committee did not understand why the CCAB was not requiring schools to provide their full match amounts. The CCAB Chair clarified the situation and said some of the JBC members did not fully understand how the BEST Program works. The CCAB Chair said there is a new analyst on the JBC now, who understands how the BEST Program operates. The CCAB Chair said some of the criteria for charter school matches are not fair and would like to see a change before the next matches are calculated. The CCAB Chair volunteered to head up the committee. Four other CCAB members volunteered to help as well.
- Discussion pertaining to Colorado Historic Society (CHS) issues. Ted Hughes discussed issues surrounding BEST and CHS. Ted Hughes talked about a previous problem at Center School District, where the Division and the CHS could not come to an agreement. The issue eventually went to the Governor for a decision. Ted Hughes noted how this is a very tough situation for the districts & charter schools involved, because they have no say in the matter. Ted Hughes said the CHS hired a lobbyist and the Colorado Rural Caucus & CASE created a task force to help mitigate the situation. The CHS and the Rural Caucus & CASE task force have not come to a final agreement yet through a memorandum of understanding.

A CCAB member stated state funds are not used until after the financing is approved. The CHS does not have interest in the project until state funds are used. The CCAB member said this is not acceptable and the CHS should be involved before state funds are used. Ted Hughes said the Division is notifying the CHS at the very first stages of the grant process if the building is 50 years or older. Ted Hughes said the Division has encouraged the CHS to complete site visits and engage in the planning process. Ted Hughes said it is difficult to get the CHS to do site visits. The CCAB Chair said she wants to come to an agreement with the CHS and agree to something the CCAB can control.

A CCAB member asked if the situation at Center School District set precedence when the decision went to the Governor's office. Ted Hughes said this situation has only happened once and he does not know what to expect from the new Governor.

Ted Hughes stated he has seen a lack of consistency from the CHS staff. Ted Hughes noted the Division and the CHS had a disagreement on a project at Otis School District. Ted Hughes said the CHS was invited to all the meetings, but did not come to them. Ted Hughes said the CHS eventually agreed with the district's wish to demolish the historic building. Ted

Hughes talked about a local historic society at Marble Charter School, where the local historic society does not want an awarded BEST project to be completed. Ted Hughes asked the CHS for some help with the situation and the CHS said they do not have control over the local boards.

The CCAB Chair called for a short break.

- Discussion pertaining to Capital Renewal Amounts for BEST Lease-Purchase Projects. Ted Hughes told the CCAB that statute requires money be set aside for capital renewal, and it is difficult to tell districts/charter schools a set percent or amount. Ted Hughes said the Division asks districts/charter schools to do their best to provide a reasonable amount. The CCAB Chair noted that the reason the legislature put this stipulation in the statute is because the legislature asked why the state should invest money into a building if the grantee is not going to take care of it. Ted Hughes said capital renewal could be tracked by Public School Finance Unit. A CCAB member suggested that applicants should submit a plan with their grant application.

A CCAB member talked about his capital renewal budget for his school district. The CCAB member stated that statute does not require a capital reserve fund anymore, but his district still invests in their capital reserve fund. Because of economic hardships, the district is still falling behind \$15 million a year for their capital renewal needs. The CCAB member said because of this, the district has to go out for a bond election every five years to help maintain their facilities. A CCAB member noted most districts do not have the bonding capacity needed to maintain their facilities. The CCAB further discussed a solution and agreed that the Division should draft a plan or policy that can be added to the Assurances and Certificates in the BEST grant application. A CCAB member asked that at the next meeting the board reviews the Assurances and Certificates that are in the BEST grant application

- Discussion pertaining to encumbering money for Master Planning. Ted Hughes discussed some of the issues surrounding master plans; noting that most districts/charter schools are not getting a tool, but a project plan. Ted Hughes asked the CCAB if a fund for master plans would be appropriate and if so, the Division can set up guidelines for funding them. The CCAB Chair asked Ted Hughes to make sure the Assistance Fund can be used in this manner. A CCAB member said the funding of master plans for districts should only be used in an extreme case, like the instance at Otis School District. Ted Hughes noted that receiving a master plan funded by the Assistance Fund does not necessarily mean an applicant will get a BEST Grant. Ted Hughes said the master plan can be used more as a road map for the district. The CCAB further discussed. A CCAB member said he would like to fund some master plans for needy districts and that he has seen some very innovative ideas come from master plans. A CCAB member said the original recommendation was to authorize an amount for the Division staff to appropriate once a year. Ted Hughes agreed and said he will draft some guidelines. The CCAB Chair asked this topic be added to the next agenda for further discussion.
- A CCAB member asked about the current bond market and how it was going to affect funding. The CCAB member asked that numbers be provided at the next CCAB meeting, so the CCAB has an estimate of what can be funded. The CCAB Chair said the numbers change radically and may not be accurate.

V. Future Meetings

- The CCAB Chair reviewed the future meeting dates with the CCAB. The CCAB discussed possible dates for the June meetings. The CCAB agreed to hold the meetings June 27-30.

VI. Public Comment

- The CCAB Chair asked if there was anyone who had questions or would like to speak from the public; there were none.

VII. Adjournment

- The CCAB Chair asked for a motion to adjourn:
 - So moved by Pete Jefferson;
 - Adele Wilson 2nd the motion;
 - No discussion;
 - Motion carried;
 - Meeting Adjourned.